

Teachers' Retirement System (GX0)

Proposed Operating Budget (\$ in thousands)

\$200

FY 2001 Proposed Budget by Control Center

The basic unit of budgetary and financial control in the District's financial management system is a control center. The Teacher's Retirement System is comprised of one control center that serves as the major component of the agency's budget.

FY 2001 Proposed Budget by Control Center

(Dollars in Thousands)

Teachers' Retirement System

Control Center	Proposed FY 2001 Budget
1000 TEACHERS' RETIREMENT SYSTEM	200
GX0 Teachers' Retirement System	200

Agency Overview and Organization

The Teachers' Retirement System provides annuity payments and other retirement and disability benefits for the District of Columbia Public School Teachers. The FY 2001 proposed budget for the Teachers' Retirement System is \$200,000, a decrease of \$10,500,000 from the FY 2000 budget. The FY 2001 funding level is based on the certified actuarial analysis from the D.C. Retirement Board. The FY 2001 employer contribution rate for covered payroll is 2.3 percent.

Under the National Capital Revitalization and Self-Government Improvement Act of 1997 (the "Act"), the federal government assumed the District's unfunded pension liability for the retirement plans of the teachers, police officers, firefighters and judges. Pursuant to the Act, the federal government pays the future retirement, death and a share of the disability benefits earned by the beneficiaries vested prior to June 30, 1997 (the freeze date). Benefits earned after the freeze date by teachers, police officers and firefighters remain the responsibility of the District of Columbia.

The District transferred most of the current pension assets to a trust, established by the U.S. Treasury. The District retained approximately \$1,275,000,000—from the Teachers' and Police Officers and Fire Fighters' Retirement Systems—of the total assets of the pension funds for the benefit of the future pension beneficiaries.

FY 2001 Proposed Operating Budget

The Teacher's Retirement System Operating Budget is composed of one category: Nonpersonal Services (NPS).

Within the NPS budget category are several object classes of expenditure such as supplies and materials, utilities, communications, rent, other services and charges, contractual services, subsidies and transfers, equipment and equipment rental, and debt service.

Authorized spending levels present the dollars and related full-time equivalents (FTE) by revenue type. Revenue types include: Local (tax and non-tax revenue not earmarked for a particular purpose); Federal (revenue provided by the federal government to support federally established programs or grants for particular purpose); Private and Other (charitable contributions and fees from fines, etc); and Intra-District (payments for services provided by one District agency to another District agency).

FY 2001 Proposed Operating Budget

(Dollars in Thousands)

Teachers' Retirement System

Object Class	FY 1999 Unaudited		Budget FY 2000		Proposed FY 2001		Variance	
Subsidies and Transfers	18,600		10,700		200		-10,500	
Subtotal for: Nonpersonal Services (NPS)	18,600		10,700		200		-10,500	
Total Expenditures:	18,600		10,700		200		-10,500	
Authorized Spending Levels by Revenue Type:								
	FTEs	Dollars	FTEs	Dollars	FTEs	Dollars	FTEs	Dollars
Local	0	18,600	0	10,700	0	200	0	-10,500
Total:	0	18,600	0	10,700	0	200	0	-10,500

Agency Funding Summary

The proposed FY 2001 operating budget for *all funding sources* is \$200,000, a decrease of \$10,500,000 or 98 percent from FY 2000 approved budget. The Teachers' Retirement System receives 100 percent funding from local sources. There are no FTEs supported by this control center.

- **Local.** The proposed *local* budget is \$200,000, a decrease of \$10,500,000 from the FY 2000 budget. The entire decrease is in nonpersonal services. There are no full-time equivalent positions supported by local sources.

The change in nonpersonal services is comprised of:

- (\$10,500,000) decrease based on the certified FY 2001 actuarial statement.